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PRESS RELEASE

Baker-Polito Administration Announces \$5 Million Grant to LabCentral for New Facility to Support Expansion of Local Bio-Manufacturing and Life Sciences Technical Talent

Grant to fund infrastructure build-out and purchase of lab equipment for LabCentral 238

FOR IMMEDIATE RELEASE:

10/01/2019

Executive Office of Housing and Economic Development

Office of Governor Charlie Baker and Lt. Governor Karyn Polito

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CAMBRIDGE — Today, Lt. Governor Karyn Polito announced a \$5 million grant to LabCentral to fund a new resource for the life sciences industry and the local bio-economy with *LabCentral 238*, a fully functional life sciences laboratory with a focus on scale-up bio-manufacturing comprising approximately 100,000 square feet. The announcement was made during a gathering at the current LabCentral space at 700 Main Street in Cambridge during a speaking program that also featured remarks by Assistant Secretary of Technology, Innovation & Entrepreneurship Damon Cox, Massachusetts Life Sciences Center President and CEO Travis McCready, LabCentral Co-founder and

President Johannes Fruehauf, Astellas, President and CEO Kenji Yasukawa, and other local and state leaders.

“Through strong public-private partnerships and strategic investments, the Commonwealth’s ecosystem of innovation in the life sciences will continue to thrive,” **said Governor Charlie Baker.** “We are committed to projects, like LabCentral 238, which aim to take head on the challenges that will unlock new opportunities that create jobs, while spurring economic development and scientific advancement.”

“Strategic partnerships such as LabCentral 238’s provide opportunities and resources for the life sciences industries to thrive and grow throughout Massachusetts,” **said Lt. Governor Karyn Polito.** “This critical investment in the Commonwealth’s skilled workforce demonstrates our administration’s continued commitment to supporting the innovation economy and its sustained development.”

The new facility will bridge the gaps that fast-growing start-ups are experiencing as they design and test the processes for their compounds prior to full-scale GMP (Good Manufacturing Practice) production. *LabCentral 238* will service start-ups at a more advanced stage from LabCentral’s current core client base and build up the skilled workforce to support local bio-manufacturing and life sciences technical talent. Located at 238 Main Street in Cambridge, LabCentral 238 is expected to open in the fall of 2021.

“The advancement of life sciences in Massachusetts has been aided by strategic capital investments in the sector, enabling anchor institutions across the Commonwealth to advance new scientific discoveries,” **said Housing and Economic Development Secretary Mike Kennealy, co-chair of the MLSC Board.** “This new facility represents an exciting new chapter for the region and the Commonwealth to expand bio-manufacturing opportunities and accelerate the delivery of therapies to patients.”

Capital funding from the Massachusetts Life Sciences Center (MLSC) will support the build-out of the necessary infrastructure and purchase of lab equipment, which will include process development labs and non-GMP pilot plant capabilities for companies to perform process development, scale-up and engineering runs. Such studies have been challenging to run otherwise, as they require specialized equipment and talent that is concentrated at pharmaceutical companies and CMOs (contract manufacturing organizations).

Today also served as the formal announcement of Astellas, a global pharmaceutical company with innovation sites in Cambridge and Marlborough, joining as the first private Founding Sponsor of *LabCentral 238*, with its own commitment of more than \$12 million toward the new facility.

“Astellas has a long-standing commitment to the Boston-area life sciences ecosystem, where world-class talent are dedicated to turning innovative science into value for patients,” **said Kenji Yasukawa,**

Ph.D., President and CEO, Astellas. “Our presence in the greater Boston area comprises over 200 professionals across several locations driving innovation in regenerative medicine, immuno-oncology, mitochondrial function, genetic regulation and beyond. Accelerating early-stage scientific innovation in areas such as cell and gene therapy is a strategic focus for Astellas, and is superbly aligned with the mission of LabCentral to serve as a launching-pad for cutting-edge biotech and life sciences start-ups.”

“New ideas and innovative strategies are needed to accelerate the creation, growth, and success of the next generation of start-ups,” **said Assistant Secretary of Technology, Innovation and Entrepreneurship Damon Cox.** “It is through cross-sector collaboration and the continued success of anchor institutions, such as LabCentral, that the health and vitality of the life sciences sector will continue to serve as a mechanism for workforce and economic development in Massachusetts.”

“Patients are waiting and the MLSC business model continues to be focused on accelerating our ecosystem for entrepreneurs to produce the products, devices, and therapies for patients around the world,” **said MLSC President and CEO Travis McCready.** “As the industry evolves, so must we, and we are excited by potential broad impact for LabCentral 238 and cutting edge life sciences companies which are addressing human disease.”

“Since our launch in 2013, LabCentral has been a very successful example of a public-private partnership that created an economic and scientific engine driving the biotech industry and economy in Massachusetts,” **said Johannes Fruehauf, Co-founder and President, LabCentral.** “LabCentral 238 builds on this success to now give start-ups access to high quality bio-manufacturing facilities to start their process development activities earlier, while also making connections with Massachusetts contract bio-manufacturing companies and creating a bio-manufacturing workforce development program to expand biotech jobs in Massachusetts.”

According to its **2018 Impact Report** (https://labcentral.org/uploads/assets/impact_report_final_web_5.14.pdf), LabCentral has made a significant impact on the biotech industry and local Massachusetts economy over its five years of operations, including in the areas of:

- **Economic Development** () – Since its founding in 2013, LabCentral has supported 109 companies and resident and alumni companies have created 1,922 new jobs in Massachusetts. In 2018 alone, 725 new jobs were added, an increase of more than 60 percent over the previous year. In addition, 77 percent of alumni companies are now located within 2.5 miles from LabCentral.
- **Community Engagement** – Since 2013, LabCentral has seen 25,000 visitors, and hosted 710 programs ranging in topics from science to business development along with sponsor events, social and networking opportunities and community engagement, including featuring local artists through its Gallery 1832 initiative and supporting the Community Art Center, CASPAR, KSA, Kendall Community Group, Harvard Homeless Shelter and other groups.

- **IPOs and M&A** – In 2018, four LabCentral resident companies went public and raised \$540 million, which represents 6 percent of the total life sciences IPOs nationally. Since its founding, LabCentral has had five companies complete IPOs and three exit through merger or acquisition.
- **Funding** – Over the past five years, more than \$4.1 billion has been invested in LabCentral resident and alumni companies with \$2 billion of that raised in 2018. For the second year in a row, LabCentral resident and alumni companies closed 10 percent of all national Series A venture capital funding in the biopharma sector.

Bio-manufacturing is a widely known challenge across all biotech sectors, with significant challenges noted in novel modalities. Contract manufacturing partners are often hard to evaluate for young companies. For many processes, the choices are limited, require long wait times, are not flexible, and can be hard to optimize on the tight timelines start-ups often face. Moreover, many potential partners are out-of-state or located abroad, which adds to the complexities of technology transfers, staffing, and general communication, and compounds expense and inefficiency. Many early-stage research teams do not focus on engineering and scale-up early enough, creating unnecessary challenges later on.

Traditional bio-manufacturing practices are still the industry norm, even for small-scale engineering, GLP and GMP runs, making the process costly, complicated and slow. An urgent need remains for new techniques and strategies to continue fostering the growth of early-stage companies focused on accelerating new scientific discoveries to improve patient outcomes.

This past May, the MLSC announced \$2.82 million in funding through a new capital program focused on supporting the life sciences ecosystem in Massachusetts by catalyzing bio-manufacturing innovation. The “Building Breakthroughs” capital program is part of a robust, collaborative effort by the MLSC and its partners to encourage cross-sector leadership in the area of bio-manufacturing. In 2016, the MLSC announced its partnership in the nation’s first bio-manufacturing innovation institute, known as the National Institute for Innovation in Manufacturing Biopharmaceuticals (NIIMBL). The Center serves as the anchor to the northeastern sector for the biopharmaceutical manufacturing project. Since 2016, the MLSC has committed more than \$4.4 million to leverage continued investment to accelerate bio-manufacturing innovation, support the development of standards that enable more efficient and rapid manufacturing capabilities, and educate and train a world-leading manufacturing workforce.

The capital funding provided to LabCentral will be distributed through a novel tool developed by the MLSC in form of a “recoverable” grant, which will offer opportunities for repayment of the grant based on the achievement of certain milestones or revenue generation. LabCentral was funded in part by two \$5 million grants from the MLSC, with support from its real-estate partner, MIT. Founding LabCentral sponsors include Triumvirate Environmental, Johnson & Johnson Innovation, Roche and Eppendorf. LabCentral 610 is supported by Pfizer and is located alongside the company’s Center for Therapeutic

Innovation, with the intention of fostering collaboration between resident companies and Pfizer's own research and development network. Additionally, LabCentral operates the Pagliuca Harvard Life Lab. LabCentral also provides dedicated wet lab space to MIT's The Engine to give their companies access to the community of scientists, space, and instrumentation necessary to further their technology.

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About the Massachusetts Life Sciences Center

The **Massachusetts Life Sciences Center (MLSC)** (<http://www.masslifesciences.com/>) is an economic development investment agency dedicated to supporting the growth and development of the life sciences in Massachusetts, home to the most verdant and productive life sciences ecosystem in the world. Through public-private funding initiatives, the MLSC supports innovation, education, research and development, commercialization, and manufacturing activities in the fields of biopharma, medical device, diagnostics and digital health. Since its creation in 2007, the MLSC has strategically deployed over \$700 million in Massachusetts, through a combination of grants, loans, capital infrastructure investments, tax incentives and workforce programs. These investments have created thousands of jobs and propelled the development of new therapies, devices and scientific advancements that are improving patient health and well-being in Massachusetts and beyond.

About LabCentral

A private, non-profit institution, LabCentral was founded in 2013 as a launchpad for high-potential life sciences and biotech startups. Operating a total of 100,000 square-feet in the heart of Kendall Square in Cambridge, Mass., LabCentral offers fully permitted laboratory and office space for as many as 70 startups comprising approximately 500 scientists and entrepreneurs. More information is available at www.labcentral.org

(<https://c212.net/c/link/?t=0&l=en&o=2451297-1&h=578304521&u=http%3A%2F%2Fwww.labcentral.org%2F&a=www.labcentral.org>).

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